



County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

December 14, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

17 December 14, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

**AMENDMENT NO. 1 TO LEASE NO. 73639
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
28470 AVENUE STANFORD, SANTA CLARITA
(FIFTH DISTRICT) (3 VOTES)**

SUBJECT

This is a recommendation to approve 3,344 rentable square feet of additional office space for the Department of Children and Family Services.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the project is exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Authorize the Internal Services Department, or the Lessor, at the direction of the Chief Executive Office, to acquire telephone, data and low voltage systems at a cost not to exceed \$120,000. All of the telephone, data and low voltage systems will be paid in a lump sum not to exceed \$120,000 as provided under the lease.
3. Approve and instruct the Mayor to sign the lease amendment with ICW Valencia Holdings, LLC. The amendment will provide the Department of Children and Family Services use of 3,344 rentable square feet of office space. The maximum annual total lease cost is \$81,460. The lease cost is funded 78 percent by State and federal subvention and 22 percent net County cost.

"To Enrich Lives Through Effective And Caring Service"

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4. Authorize the Director of Children and Family Services to implement the project. The term and rent of the lease amendment will be effective upon approval by your Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since May 21, 2002, the Department of Children and Family Services (DCFS) Region VIII Family and Child Welfare and the Start Taking Action Responsibly Today (START) programs, with a current combined staff of 216, have been housed in approximately 32,743 rentable square feet of office space located at 28490 Avenue Stanford, Santa Clarita. The proposed lease amendment will provide DCFS the use of 3,344 rentable square feet of additional office space to house 33 additional staff. Although, the Space Request Evaluation (SRE) was approved for 7,919 square feet of office space, available space in move-in condition and at favorable rates that meet the requirements of the program was located in an adjacent building within the office park.

The previously improved space has a drop ceiling, finished interior, and modular furniture, including electric power and telecommunications. However, the proposed space does not meet the electrical and telecommunications requirements of the tenant department. The County will upgrade the premises to meet the requirements with low-voltage telecommunication cabling, and the Lessor will install high voltage electrical wiring, at the County's sole cost not to exceed \$120,000. The work will commence immediately after Board adoption, according to previously prepared County plans and specifications. The proposed additional office space will provide needed expansion space in a building immediately adjacent to the aforementioned DCFS program central to the service area.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan (Goal 1) directs that we provide operational effectiveness to support efficient delivery of public services through Fiscal Sustainability (Strategy 1) by promoting sound, prudent, and transparent short-term and long-term fiscal policies to maintain critical, high priority County services despite cyclical economic conditions. The proposed lease supports the foregoing with a centrally and co-located facility as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed amendment to the existing modified gross lease which provides County paid electricity will provide 3,344 rentable square feet of office space and 14 surface parking spaces included in the base rent. The proposed annual lease cost of \$81,460 or \$24.36 per rentable square foot includes a base rent of \$73,434 or \$21.96 per rentable square foot, and the annual cost of electricity of \$8,026 or \$2.40 per rentable square foot. Both components of the annual lease cost rent will remain fixed throughout the remainder of the original lease term and will not be subject to adjustment.

28490 Avenue Stanford	Existing Lease	Proposed Amendment	Change
Area (Square Feet)	32,743	36,087	+3,344
Term	Ten years 5/21/02-5/20/12	Coterminous with the existing lease through 5/20/12	None
Annual Base Rent (Rental Rate)	\$719,036 (\$21.96/sq. ft.), plus separately metered electricity	\$800,496 (\$22.18/sq. ft.) Includes the pro rata cost of electricity for the expansion space	+\$81,460 (\$.22/sq. ft.)
Option to Renew	Two five-year options at 90 percent of fair market rental value	Two five-year options at 90 percent of fair market rental value	None
Annual Rental adjustment	None	None	None
Preparation of Premises	Yes, tenant improvements for County occupancy	Yes*	+Preparation of Premises
Parking**	223 surface spaces	200 surface spaces	-23 spaces
Cancellation	At any time after 60 months of the lease term upon 120 days prior written notice	None	None

* Upgrades to the premises include low-voltage telecommunication cabling installed by the County estimated to be \$95,000, and high voltage electrical wiring installed by the Lessor not to exceed \$25,000. All work is at the County's sole cost not to exceed \$120,000.

** The existing lease provided 223 surface parking spaces subject to reduction upon completion of a third office building within the business park, which the Lessor has completed. Thus, the amendment will provide County 200 surface parking spaces.

Sufficient funds for the proposed lease costs are included in the 2010-11 Rent Expense budget and will be billed back to the department. DCFS lease costs are funded 78 percent by State and federal subvention and 22 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed amendment will provide an additional 3,344 rentable square feet of office space and reduce the total number of parking spaces from 223 to 200. The proposed amendment includes the following provisions:

- The lease amendment will be effective and commence upon adoption by the Board of Supervisors.
- The space is readily available and is a less expensive alternative to space that requires tenant improvements and furniture installation. However, the County will upgrade the premises to include low-voltage telecommunication cabling installed by the County not to exceed \$95,000, plus high voltage electrical wiring installed by the Lessor not to exceed \$25,000, all at the sole cost to the County not to exceed \$120,000.
- The effective annual per square foot rental rate will increase from \$21.96 to \$22.18.
- The rent will remain fixed for the term pursuant to the original lease.
- The existing lease provided 223 surface parking spaces subject to reduction upon completion of a third office building within the business park. The Lessor has completed construction of the third building and the parking will be reduced to 200 surface spaces which should be adequate for the projected staffing.
- All other terms and conditions of the original lease will remain unchanged in full force and effect.

The Chief Executive Office (CEO), Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically or efficiently. Based upon the survey, staff has established that the annual rental range for similar space is between \$18.60 and \$33.00 per rentable square foot on a full service gross basis. The annual base rental rate plus the cost of electricity of \$22.18 per rentable square foot is in the lower market range for full service market rates in the area. Attachment B shows all County-owned and leased facilities countywide of equal or greater size and no County-owned or leased facilities are available for this program.

A childcare facility is not feasible at this location. The facility, built in 1999, and constructed according to the 1997 Uniform Building Code is exempt from review by the Department of Public Works.

Lease renewal notification letters have been sent to the City pursuant to Government Code Sections 25351 and 65402.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CEO that the proposed amendment will allow DCFS to expand its premises within the subject facility. DCFS concurs with this recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed lease amendment and the adopted, stamped Board letter and two certified copies of the Minute Order to the CEO, Real Estate Division at 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012.

Respectfully submitted,



WILLIAM T. FUJIOKA
Chief Executive Officer

WTF:SK:WLD
CEM:MM:hd

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Children and Family Services
Internal Services

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
28470 AVENUE STANFORD, SANTA CLARITA
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²			X
	B	Does lease co-locate with other functions to better serve clients? ² This amendment provides expansion space in an adjacent building.			X
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² 145/sq. ft. The space is already built-out and meets the department's program requirements.		X	
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program? 22% NCC		X	
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered? The proposed space is the only space available in move-in condition including modular furniture within a reasonable proximity to the existing facility, and it is offered at a competitive market rental rate. A build-to-suit or capital project is not under consideration at this time as it is not feasible.		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. ____ No suitable County occupied properties in project area.			
		3. ____ No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. <u>X</u> The Program is being co-located.			
	E	Is lease a full service lease? ² The County is responsible for the cost of electricity pursuant to the existing lease. The Lessor insisted the County remain responsible for the cost.		X	
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98					
² If not, why not?					

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES
28490 AVENUE STANFORD, SANTA CLARITA**

Five-mile radius search from 28490 Avenue Stanford, Santa Clarita

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
6121	ANIMAL CONTROL #6-OFFICE	31044 N CHARLIE CANYON RD, CASTAIC 91384	1962	857	OWNED	NONE
A920	BOARD OF SUP-5TH DISTRICT FIELD OFFICE	23920 W VALENCIA BLVD, SANTA CLARITA 91355	1224	1026	LEASED	NONE
A524	DCFS SANTA CLARITA OFFICE	28490 AVENUE STANFORD, SANTA CLARITA 91355	32743	29469	LEASED	NONE
X270	DR RICHARD RIOUX MEMORIAL PARK-OFFICE/COMFORT	26233 W FAULKNER DR, STEVENSON RANCH 91381	1810	1720	OWNED	NONE
A583	PARKS-SPECIAL DISTRICT ADMIN OFFICE	28245 AVENUE CROCKER, SANTA CLARITA 91355-5320	3179	3020	LEASED	NONE
A741	PUB LIB-CASTAIC LIBRARY	27971 SLOAN CANYON RD, CASTAIC 91384	6985	6636	LEASED	NONE
5541	PUBLIC LIBRARY-VALENCIA LIBRARY	23743 W VALENCIA BLVD, SANTA CLARITA 91355	24144	19245	OWNED	NONE
5542	SANTA CLARITA ADMINISTRATIVE CENTER BUILDING	23757 W VALENCIA BLVD, SANTA CLARITA 91355	22136	20055	OWNED	NONE
5543	SANTA CLARITA COURTHOUSE	23747 W VALENCIA BLVD, SANTA CLARITA 91355	26773	20624	OWNED	NONE
A449	SHERIFF-SANTA CLARITA VALLEY DETECTIVE BUREAU	26340 CITRUS ST, VALENCIA 91355	9500	9025	LEASED	NONE

**AMENDMENT NO. 1 TO LEASE NO. 73639
28490 AVENUE STANFORD, SANTA CLARITA**

THIS AMENDMENT NO. 1 TO LEASE and AGREEMENT NO. 73639 ("Amendment No. 1") is made, entered and dated as of this 14th day of December, 2010 by and between ICW VALENCIA HOLDINGS, LLC, a California limited liability company ("Lessor"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("Lessee").

RECITALS

WHEREAS, a Lease by and between ICW VALENCIA HOLDINGS, L.P. as Lessor, and the County of Los Angeles as Lessee was executed September 4, 2001 (the "Lease"), pursuant to which Lessor leased to Lessee those certain Premises located at 28490 Avenue Stanford, Santa Clarita, California consisting of approximately 32,743 rentable square feet of office space and 223 surface parking spaces, (the "Premises") and;

WHEREAS, ICW VALENCIA HOLDINGS, LLC, is the lawful successor-in-interest to ICW VALENCIA HOLDINGS, L.P., and retains all rights and responsibilities granted as a result thereof, and;

WHEREAS, ICW VALENCIA HOLDINGS, LLC, acknowledges that the terms of this Amendment No. 1 to Lease No. 73639 will not become effective until such time that said Amendment is approved by the Board of Supervisors of the County of Los Angeles, and;

WHEREAS, Lessor and Lessee desire to, among other points, amend the terms of the Lease to increase the size of the Premises and reduce the number of parking spaces, and prepare the Premises for the County's use.

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and the rents, covenants and agreements herein contained, Lessor and Lessee hereby covenant and agree as follows:

1. **DESCRIPTION OF PREMISES:** Paragraph 1, DESCRIPTION OF PREMISES, is hereby amended such that the size of the Premises is hereby increased to 36,087 rentable square feet with the addition of 3,344 rentable square feet located at 28470 Avenue Stanford, more particularly identified as Suite 130 and set forth on the floor plan attached hereto as Exhibit A (the "Expansion Premises"), except that no penthouse mechanical room space shall be included in the measurement. The number of parking spaces is hereby decreased to 200 pursuant to the original lease whereby the Lessor has commenced and completed construction of an additional building within the Project.
2. **RENT:** Paragraph 3, RENT, is hereby amended such that \$66,039.21 shall be

substituted for any and all reference to \$59,919.69.

RENT: Paragraph 3, RENT, Subparagraph A., Electrical Utilities is hereby added:

Lessee hereby agrees to pay during the term for the Expansion Premises no more than the sum of \$668.80, or \$.20 per rentable square foot per month for electric utilities.

3. **CANCELLATION:** Lessee shall have the right to cancel this Lease Amendment No. 1, for the Expansion Premises only, on or at any time after May 20, 2012, by giving Lessor not less than sixty (60) days prior written notice by Chief Executive Office letter.

4. **PREPARATION OF PREMISES:** Paragraph 32, PREPARATION OF PREMISES, is hereby added to the Lease as follows:

Lessee, at its sole cost and expense not to exceed \$120,000 shall install all required high voltage electrical wiring and outlets, low voltage access controls and telecommunication cabling and outlets for the entire Premises, and any other work it deems necessary for beneficial occupancy consistent with the terms and conditions of the original Lease. Lessee shall perform all Preparation of Premises work during and after normal business hours and weekends.

Lessee may request Lessor to complete the high voltage work using a portion of the \$120,000 for Preparation of Premises, not to exceed \$25,000, which sum shall be paid by Lessor, subject to reimbursement by Lessee as set forth below. Lessee shall reimburse Lessor in lump-sum upon completion of the work by Lessor and acceptance by the County.

The Premises shall meet all applicable building codes, regulations and ordinances required for beneficial occupancy before the Preparation of Premises work shall be deemed complete.

5. Wherever a conflict exists between the terms of this Amendment No. 1 and the original Lease, the terms and conditions of Amendment No. 1 shall prevail. All other terms and conditions of the original Lease remain unchanged and are hereby reaffirmed in full force and effect.

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 1 to Lease and Agreement No. 73639 or caused it to be duly executed, and the Lessee by order of its Board of Supervisors, has caused this Amendment No. 1 to be executed on its behalf by the Chair of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR:

ICW VALENCIA HOLDINGS, LLC
a California limited liability company

By: American Assets, Inc., a California
corporation, as Agent

By: [Signature]
John W. Chamberlain
Chief Executive Officer

By: [Signature]
James R. Durfey
Vice-President Office Leasing

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By: [Signature]
Deputy

ATTEST:
Sachi A. Hamai
Executive Officer
Board of Supervisors

By: [Signature]
Deputy

LESSEE:
COUNTY OF LOS ANGELES
a body politic and corporate

By: [Signature]
Michael D. Antonovich
Mayor, Board of Supervisors

APPROVED AS TO FORM:
ANDREA SHERIDAN ORDIN
County Counsel

By: [Signature]
Amy M. Caves
Senior Deputy

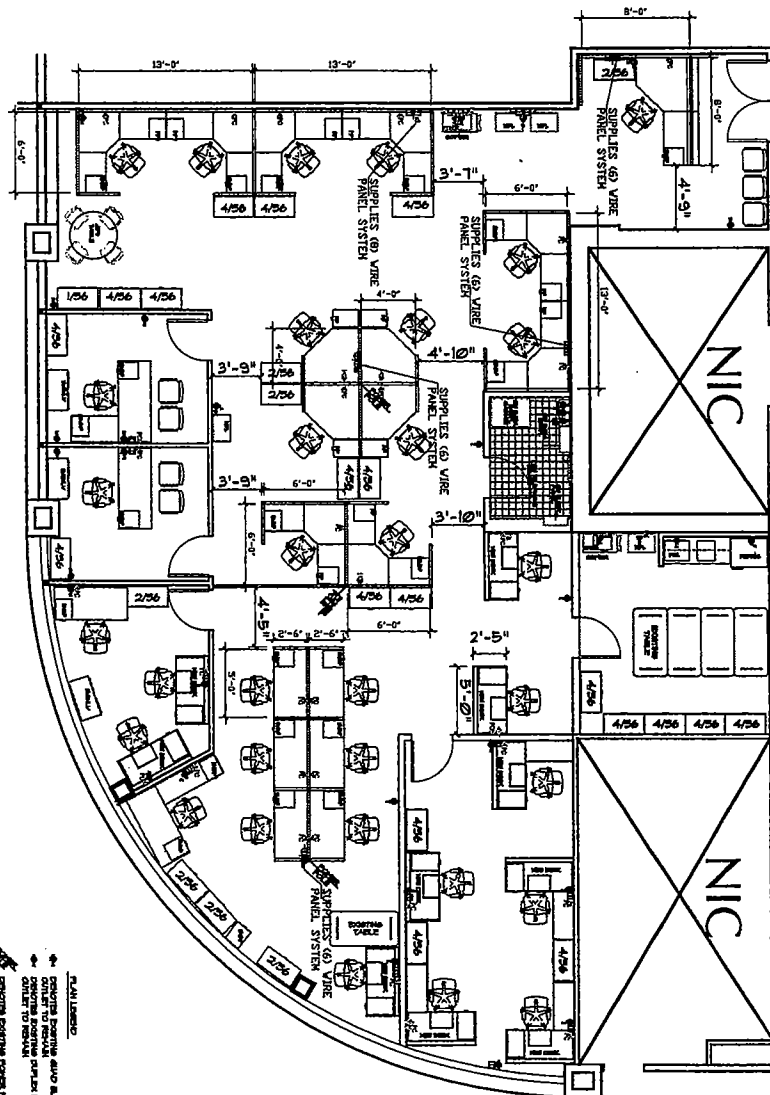


ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

17 DEC 14 2010

[Signature]
SACHI A. HAMAI
EXECUTIVE OFFICER

Exhibit A



FURNITURE FLOOR PLAN

[illegible][illegible]